

4 which is contingent upon the payment of assessments of call made upon  
 5 its members, shall do business within this state except such companies  
 6 or associations as are now authorized to do business within this state  
 7 and which, if a life insurance company or association, shall value their  
 8 assessment policies or certificates of membership as yearly renewable  
 9 term policies according to the standard of valuation of life insurance  
 10 policies prescribed by the laws of this state.

1 SEC. 2. This act being deemed of immediate importance shall be  
 2 in full force and effect from and after its publication in the Altoona  
 3 Herald a newspaper published at Altoona, Iowa, and the O'Brien  
 4 County Bell, a newspaper published at Primghar, Iowa.

Senate File 137. Approved May 1, 1937.

I hereby certify that the foregoing act was published in the Altoona Herald, May 20, 1937, and the O'Brien County Bell, May 19, 1937.

ROBERT E. O'BRIAN, *Secretary of State.*

## CHAPTER 218

### BANKS AND TRUST COMPANIES

#### H. F. 484

AN ACT to amend chapter four hundred fifteen (415), code, 1935, and providing for the method and manner of handling and terminating trusts created as a part of the plan of reorganization of state banks, savings banks and trust companies, and providing the manner and method of liquidation and distribution of the assets, the appointment of the superintendent of banking as receiver, the designation of the attorney general or assistants as attorney for the superintendent of banking in the liquidation and distribution; providing the method and manner of filing claims against the state sinking fund for public deposits; providing rules of construction, and providing that insofar as the provisions of this act shall conflict with any other act or parts thereof the provisions of this act shall govern.

WHEREAS, many state banks, savings banks and trust companies have reorganized in this state pursuant to law and many of such reorganizations provide for the creation of a trust fund made up of segregated assets, to be administered by trustees, whose work as trustees should also be carried on subject to the approval of the local court thereof, and

WHEREAS, in the future, some of these trustees may refuse or neglect to administer the trust to the best interests of the certificate holders and it may be impossible to secure successor trustees to properly administer the trusts, and

WHEREAS, in such event, the certificate holders would be seriously prejudiced in that there would not be the dividends payable to them from the trust in the manner intended, and

WHEREAS, the superintendent of banking is charged under the law with the general control, supervision and direction of all banks and trust companies incorporated under the laws of Iowa, and

WHEREAS, in such event, the superintendent of banking should proceed to protect the interests of certificate holders and to liquidate the assets and make distribution, therefore,

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. That chapter four hundred fifteen (415), code, 1935,  
 2 be and the same is hereby amended by adding thereto the following:

3 "That wherever a state bank, savings bank or trust company has  
4 reorganized pursuant to law and the plan of reorganization provides  
5 for the creation of a trust fund made up of segregated assets of such  
6 bank or trust company against which trust certificates have issued  
7 and trustees have been appointed or designated to administer the  
8 fund and trust, and the liquidation of the trust assets has reached a  
9 point in the judgment of the trustees where the trust should be wound  
10 up and the trustees released and discharged and they shall become  
11 satisfied that the interests of certificate holders or creditors require  
12 the termination of the trust and its liquidation, the superintendent of  
13 banking may appoint an examiner in charge or a trustee or trustees  
14 of said trust with or without pay but if with pay then not in excess  
15 of that fixed by statute for examiners in charge, to assist him in the  
16 liquidation and distribution of the assets of the fund, whereupon the  
17 right of levy or execution or attachment, if any, against such trust  
18 fund or its assets shall be suspended.

19 "In such event, the duties of the trustees as trustees shall be ter-  
20 minated and they shall be released and discharged of any further  
21 duties pertaining thereto upon making proper accounting to the super-  
22 intendent of banking upon such notice as he or the court shall direct,  
23 as the case may be.

24 "The superintendent of banking may apply to the district court  
25 for that district in which the said trust is located or a judge thereof  
26 for the appointment of said superintendent of banking as receiver  
27 of such trust fund and its affairs shall thereafter be subject to the  
28 approval of the court and the fund liquidated in the same manner as  
29 provided by law for liquidation of state banks and trust companies,  
30 and the assets thereof after the payment of expense of liquidation  
31 and distribution shall be ratably distributed among creditors and the  
32 holders of trust certificates, giving preference in payment to holders  
33 of trust certificates.

34 "The attorney general of the state or such assistants as may be  
35 designated by him and approved by the judge or court having juris-  
36 diction thereof shall represent the superintendent of banking in all  
37 proceedings provided for hereunder.

38 "That in event of such liquidation and distribution of such trust  
39 funds, public bodies as holders of trust certificates may file against  
40 and participate in the state sinking fund for public deposits upon the  
41 taking over of the fund for liquidation by the superintendent of bank-  
42 ing in the same manner as provided by law where a bank is closed  
43 and placed in the hands of a receiver, except that all interest due  
44 the state sinking fund for public deposits to the date of the reorgani-  
45 zation of the bank or trust company, must be paid prior to filing  
46 against the state sinking fund.

47 "With respect to all trusts created pursuant to the provisions of  
48 chapter one hundred fifty-six (156), acts of the Forty-fifth General  
49 Assembly and supplementary statutes thereto, it shall be the duty of  
50 the superintendent of banking to require periodic reports as often  
51 as he may wish from the trustee or trustees in charge of said trusts  
52 which reports shall by the superintendent of banking or by whom he  
53 may designate to represent him be submitted to the district court for  
54 that district in which the said trust is located or a judge thereof for

55 approval in the same manner as now provided by law for liquidation  
56 of bank receiverships."

1 SEC. 2. Insofar as the provisions of this act may conflict with other  
2 acts or parts thereof, the provisions of this act shall control.

1 SEC. 3. Should any section of this act, or part thereof, be held un-  
2 constitutional or invalid, such decision shall only affect the specific  
3 provisions which may be held invalid or unconstitutional and shall  
4 not affect the validity and remaining portions of this act.

1 SEC. 4. This act being deemed of immediate importance, shall be  
2 in full force and effect from and after its publication in the Ocheyedan  
3 Arrow, Ocheyedan, Iowa and the Sibley Gazette Tribune, Sibley,  
4 Iowa, as provided by law.

House File 484. Approved May 1, 1937.

I hereby certify that the foregoing act was published in the Sibley Gazette Tribune,  
May 27, 1937, and the Ocheyedan Arrow, May 27, 1937.

ROBERT E. O'BRIAN, *Secretary of State.*

## CHAPTER 219

### BANKS AND TRUST COMPANIES

H. F. 487

AN ACT to repeal sections ninety-two hundred forty-six (9246) to ninety-two hundred  
fifty-four (9254), inclusive, of the code, 1935, relating to assessment liabilities of  
stockholders in banks and specifying when such repeal shall become effective.

WHEREAS, non-assessable stock in a reorganized state incorporated bank-  
ing institution may be issued under the authority of the superintendent of  
banking with the approval of the executive council (section ninety-two  
hundred eighty-three-e three (9283-e3)), and

WHEREAS, stock of new state incorporated banking institutions there-  
after organized and stock of other banks thereafter transferred and pre-  
ferred stock thereafter issued by any banks were all made non-assessable  
by section ninety-two hundred eighty-three-f eleven (9283-f11) to and  
inclusive of section ninety-two hundred eighty-three-f sixteen (9283-f16),  
code, 1935, and acts of the 45th General Assembly, Extraordinary Session  
and approved November 23, 1933, and

WHEREAS, congress by the "Banking Act of 1933" effective June 16,  
1933, provided that "additional liability imposed upon shareholders in  
national banking associations shall not apply with respect to shares issued  
after the date of the enactment" and further provided by the "Banking  
Act of 1935" effective August 23, 1935, that "such additional liability shall  
cease on July 1, 1937 with respect to shares issued prior to June 17, 1933  
by any association which shall be transacting the business of banking on  
July 1, 1937" and

WHEREAS, it is said of the congressional bill that making it "effective  
far enough in the future to permit depositors and others to know of it and  
change their relationship if they wished is sound and not violative of any  
contracts", and